

REMARKS/ARGUMENTS

By this paper, Applicant replies to the Office Action of February 14, 2007 and respectfully requests reconsideration of the application.

Claims 1, 2, 4-23, 26-28, 31-33, 35-47 and 49-79 are now pending, a total of 72 claims. Claims 1, 23, 56 and 59 are independent.

I. Paragraph 2 - § 101

Applicant requests identification of some legally binding authority and an explanation of an analogy between the holding of that authority and claim language. It is not helpful when an Office Action simply says certain claim language is an “abstract idea,” without explaining why.

The Examiner’s attention is drawn to the following language from *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998), discussing “useful, concrete and tangible,” non-abstract subject matter, 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601 (Fed. Cir. 1998):

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces “a useful, concrete and tangible result”— a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

If a “share price” (that is, a dollar amount, independent of whether any actual transaction occurs at that amount) is “useful, concrete and tangible” for the Federal Circuit, why would an “amount of a payout” or “amount to be paid” be “abstract” here? Without some reasoning and indication of the authority on which the reasoning is based, no reply is possible.

II. Paragraphs 3 and 4 of the Office Action - § 112 ¶ 2 Issues

A. The Office Action

Paragraphs 3 and 4 of the Office Action read as follows:

4. Claims 54 and 55 are rejected as failing to define the invention in the manner required by 35 U.S.C. 112, second paragraph.

The claim(s) are narrative in form and replete with indefinite and functional or operational language. The structure, which goes to make up the device, must be clearly and positively specified. The structure must be organized and correlated in such a manner as to present a complete operative device.

B. The Office Action No Recognizable Principle of Law

Applicant does not understand this paragraph. The legal principles in this paragraph, to the degree they were ever correct, were repealed decades ago. Many were never the law.

“Functional language” is generally not indefinite, MPEP § 2173.05(g). *In re Swinehart*, 439 F.2d 210, 213, 169 USPQ 226, 229 (CCPA 1971) states:

We are convinced that there is no support, either in the actual holdings of prior cases or in the statute, for the proposition ... that “functional” language, in and of itself, renders a claim improper. We have also found no prior decision of this or any court which may be said to hold that there is some other ground for objecting to a claim on the bases of *any* language, “functional” or otherwise, beyond what is already sanctioned by the provisions of 35 U.S.C. § 112.

There is no requirement that a claim recite “structure ... organized and correlated in such a manner as to present a complete operative device.” *Carl Zeiss Stiftung v. Renishaw PLC*, 945 F.2d 1173, 1180-81, 20 USPQ2d 1094, 1100 (Fed. Cir. 1991) reads as follows (emphasis added, citations and quotations omitted):

The district court misapplied the claim definiteness requirement in holding claim 3 to be invalid for failure to claim the subject matter regarded as the invention. Focusing on the fact that claim 3 omits any electrical circuitry or other signaling means, the court concluded that the claim “does not describe [the patentee’s] invention.” ... Stating that “the arbitrary presentation of part of an invention does not constitute a claim of a valid invention,” the court essentially ruled that [the patentee] cannot claim a part of his invention separate from the rest. This reasoning is legal error.

It has long been held, and we today reaffirm, that it is entirely consistent with the claim definiteness requirement of the second paragraph of section 112, to present “subcombination” claims, drawn to only one aspect or combination of elements of an invention that has utility separate and apart from other aspects of the invention. As one of our predecessor courts stated, “it is not necessary that a claim recite each and every element needed for the practical utilization of the claimed subject matter,” as it is “entirely appropriate, and consistent with § 112, to present claims to only [one] aspect.” Thus, the holding of invalidity that rests on a conclusion of lack of claim definiteness is legally incorrect.⁵

⁵ Such subcombination claiming is also consistent with the utility requirement of section 101, so long as what is described in the claim has utility in itself.

The concerns raised in the Office Action have no relationship to any known law. No rejection is raised.

C. The Office Action Leaves Appellant to Guess at Any Problem that May Exist

Even if there were laws that corresponded to the issues in the Office Action, the Action identifies no language that fits any of these categories. Instead, the Action leaves Applicant to guess at what could possibly be intended. Until the examiner explains the rejection precisely enough to permit a reply, no reply is required or possible. *Ex parte Schricker*, 56 USPQ2d 1723, 1725 (BPAI 2000) (“The examiner has left applicant and the board to guess as to the basis of the rejection and after having us guess would have us figure out (i.e., further guess) what part [the reference] supports the rejection. We are not good at guessing; hence, we decline to guess. ... [T]he examiner has failed to develop the record sufficiently to permit applicant to address the issues and for us to make a cogent ruling on any difference of opinion between applicant and the examiner.”). No rejection is raised.

III. Paragraphs 5-7: Independent claims

Claim 1, which is representative of the four independent claims, recites as follows:

1. A method, comprising the steps of:
 - at a computer processor, receiving a plurality of bets, each bet comprising:
 - a selection of a first number of events selected from a group of events;
 - a selection of **a respective participant for each of the first number of events** selected; and
 - a bet amount;
 - wherein at least one selected event of a first bet of the plurality of bets comprises a different event from at least one selected event of a second bet of the plurality of bets;**
 - combining the amounts of the bets of the plurality to form a betting pool; and
 - at a computer processor, determining an amount of a payout for winning bets of the plurality based at least in part on the amount of the bets in the betting pool.

The error in the Office Action is plainly visible on the face of the Action. Note how many claim limitations are glossed over with no comparison to any reference:

7. With regard to claims 1, 23, 45, 53, and 56-58, Brenner discloses an interactive wagering system that can manage bets and monitor and process the information provided by the users to the system. Specifically, the term “bet” inherently includes the process of an agreement between two parties on a contest or contingent issue. Brenner’s device interactive system allows for the user to select from a variety of wager types a selection of a first number of events selected from a group of events; a selection of a respective participant for each of the first number of events selected (i.e.: the wagered winner), and an bet amount (see col. 7: ln 39-45). Additionally, Brenner uses the bet amount to form a common feature in the gambling arts known as a betting pool (see col. 12: ln 10-53). The betting pool is then used in part to determine the amount of a total payout made to the users/participants (see col. 5: ln 45-61). Furthermore, Brenner’s system implements the use of totalisators. Totalisators relay information from the various racetracks to deliver racing data to the system. This allows the system to accurately determine the one or more winning bets of the plurality of bets by determining for each of the plurality of bets if each selected participant corresponds to the winning participant for each of the first number of events selected in the bet (see col. 5: ln 40-62). The information provided by the totalisators also allow the system to determine the amount to be paid for a winning bet of the one or more winning bets based on the number of winnings bets, the amount of the total payout and the bet amount of the winning bet of the one or more winning bets (see col. 12: ln 10-54).

The claim language set forth above in bold is especially concerning: it was expressly argued in Applicants paper of November 2005. There is no observable and relevant attempt to answer all material traversed in the recent Office Actions, in a manner that takes account of all the claim language. It appears that the claim was dissected into individual isolated words; there is no apparent attempt in any Office Action to show that any reference has “elements ... arranged as required by the claim,” as required by MPEP § 2131. Without a clear discussion of each claim limitation, including all interconnections recited in the claim, the Office Action is inadequate to raise any rejection of any claim.

Applicants are not required to guess at correspondences between the claim and the art that the examiner has never expressed. No rejection exists until the Examiner complies with PTO rules for setting forth a written rejection.¹ It is far better – and required under the rules –

¹ *Vitarelli v. Seaton*, 359 U.S. 535, 545 (1959) (when an agency acts contrary to its own written regulations, the resulting action is “illegal and of no effect,” emphasis added); *Certain Former CSA*

for an examiner to write **something** and be wrong, than to keep a position hidden. Until the Examiner's position on all claim limitations is stated, no rejection exists.

Applicant suggest that it will be useful for the Examiner to pin down precise elements of any reference to the following particular claim elements before considering the longer phrases:

bet	
event	
group of events	
first number of events selected from a group of events	
a respective participant for each of the first number of events	
event ... comprises a different event	

IV. Other Claims

The other independent claims, 23, 56 and 59, recite similar (but not identical) language, and are either not rejected or patentable for similar (but not identical) reasons.

The dependent claims are patentable with the independent claims discussed above, and recite further limitations to further distinguish the art.

V. Withdrawal of Previous Remarks

The claims as now pending are broader in some respects than previous claims. Applicant intends that the claims as now pending be interpreted under the ordinary interpretation understood in the art. Applicant hereby rescinds, and no longer intends that the claims be limited by, any assertion, statement, argument, amendment or other action in this patent application, or any application whose file history is available for use in interpreting any patent issuing on this application, that might be taken to be a surrender or disclaimer of any subject matter from the scope of any claim. No such assertion, statement, argument, amendment or other action in this application or in any such available application should be taken as a surrender or disclaimer from, and may not be used to interpret, any claim of this patent, or any claim of any patent to which such applications' file histories may be pertinent.

Employees v. Dept. of Health and Human Services, 762 F.2d 978, 984 (Fed. Cir. 1985) (action in violation of agency's own regulation is "illegal and of no effect," emphasis added).

Applicant hereby requests that the Examiner re-visit any previous surrender, disclaimer or characterization of claims, and re-visit any prior art that may have been avoided or intended to be avoided by such surrender, disclaimer or characterization. In addition, a new search is requested.

VI. Conclusion

In view of the amendments and remarks, Applicant respectfully submits that the claims are in condition for allowance. Applicant requests that the application be passed to issue in due course. The Examiner is urged to telephone Applicant's undersigned counsel at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance. Kindly charge any additional fee, or credit any surplus, to Deposit Account No. 50-3938, Order No. 04-7103.

Respectfully submitted,
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Dated: November 14, 2007

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